

# **FISCAL NOTE**

## **SB 332 - HB 871**

April 21, 2001

**SUMMARY OF BILL:** Reduces from 6% to 5% the state sales tax rate on the lease or rental of tangible personal property.

### **ESTIMATED FISCAL IMPACT:**

#### **Decrease State Revenues - Exceeds \$17,250,000**

Estimate assumes:

- Based on information provided by the Department of Revenue, estimates from the 1997 Economic Census reveal approximately \$103,500,000 in sales tax collections are derived from taxable rental and leasing services.
- A decrease in state revenues that exceeds \$17,250,000 which is calculated as follows:
  - Sales Tax Base of \$1,725,000,000 [ $\$103,500,000 / 6\%$ ].
  - Sales Tax Revenues at 6% = \$103,500,000
  - Sales Tax Revenues at 5% = \$86,250,000
  - Decrease in State Revenues = \$17,250,000

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director